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C O N F I D E N T I A L SECTION 01 OF 04 TOKYO 002664

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TAGS: [PREL](#) [APEC](#) [ARF](#) [MARR](#) [CH](#) [KS](#) [JA](#)
SUBJECT: U.S.-JAPAN-ROK POLICY PLANNING TRILATERAL, SESSION
2: THE CONTINUING EMERGENCE OF CHINA

REF: A. TOKYO 2654
[1](#)B. TOKYO 2663

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Classified By: Charge d'Affaires, a.i., Joe Donovan. Reasons:1.4(b/d).

[1](#)1. (C) Summary: In Session 2 of the U.S.-Japan-ROK trilateral policy planning talks on May 12, S/P Director Stephen D. Krasner, Japanese Deputy Vice-Minister for Foreign Policy Masaharu Kohno and Korean Deputy Minister for Policy Planning and International Organizations Park In-Kook outlined their respective countries' policies toward China's continuing emergence.

-- All three delegations saw opportunities and challenges ahead;

-- Kohno expressed concern over China's domestic instability and rapid military build up, particularly its development of naval forces;

-- Park wondered whether China would choose a democratic or authoritarian model after it reached an appropriate level of economic development;

-- Krasner emphasized the importance of the PRC becoming a responsible stakeholder in the international system and China's domestic transition to a society based on the rule of law;

-- Krasner expressed U.S. concern over the trajectory of regional architecture;

-- Kohno asserted that Japan had no intention of excluding the United States from Asian organizations and said Japan would be happy if the U.S. participated in existing pan-Asian groups;

-- Park said Asia needed to find the right balance between its traditional reliance on the United States and the need to promote Asian regional integration;

-- The U.S. and Japanese delegations noted developments in the U.S.-Japan alliance, discussed Chinese views of the alliance, and encouraged the ROK to recognize the benefits of enhanced U.S.-Japan defense relations.

End Summary.

Japan's Views on China

12. (C) Japan's Deputy Vice Minister Masaharu Kohno began the discussion on China by highlighting the PRC's focus on economic growth and regional stability. While successful in achieving rapid economic growth, Chinese authorities have been less successful in dealing with the increasing number of violent domestic protests, corruption, the wealth gap, environmental problems, energy problems and higher educational costs. Japan is concerned that growing domestic dissatisfaction may negatively impact Japanese economic interests in China, including the more than 100,000 Japanese living in the PRC. Japanese concerns about the lack of transparency in China's rapid military buildup is focused on increased blue-water naval capabilities and potential threats to Japanese sea-lanes. Japan is also concerned about China's growing political and economic influence in the Asian region.

13. (C) Underscoring that China and Japan hold similar views of their bilateral relationship, Kohno noted that both countries want to improve the relationship, see no possibility for compromise on history issues, and seek to increase people-to-people exchanges and economic relations. Japan is working to expand people-to-people exchanges, particularly among Chinese youth, to increase China's understanding of and familiarity with Japan. Kohno observed that Japan supported PRC participation in Asian regional groupings as a means of influencing China and thus promoting the Japanese goal of a stable and democratic China.

Korean Views on China

14. (C) Korean Deputy Minister for Policy Planning and

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International Organizations Park In-Kook noted the growth in Korea-China economic relations since the establishment of diplomatic relations in 1992. China has become Korea's top trading partner and number one destination of Korean foreign investment. Over 3.5 million Koreans visited the PRC in 2005, and more than 100,000 Korean students are studying in China. Beijing has played a useful role in multilateral organizations. China is still in a "learning phase" with respect to its WTO obligations, but Beijing has been particularly helpful in hosting the Six-Party Talks and its participation in APEC, EAS, and ASEAN Plus 3 has been constructive. Despite Beijing's claims to the contrary, Seoul believes the PRC does have substantial influence on North Korea's foreign policy. Fully one-third of China's total foreign aid budget goes to North Korea, and Kim Jong-Il has made four visits to China since 2000, highlighting his interest in economic reform and China's own experiences.

15. (C) Looking over the next 30 to 40 years, Park cited the need to consider the level of economic development China would attain before its economic growth reached a plateau. What kind of society would China then become, he asked. Would it follow the Japan-ROK model of transition to democracy or would it seek to emulate Singapore's combination of a market economy but authoritarian political system? Even if China adopted a democratic model, how would the Chinese tendency toward a China-centric worldview affect its foreign policy?

U.S. Views on China

16. (C) S/P Director Krasner pointed out that as China developed it would need to transition to a society based on the rule of law. The United States has pressed China to become a "responsible stakeholder" in the international system, noting that as China benefits from international regimes, it is important for the PRC to honor regime rules.

Failing to do so will damage the system and, because China benefits from the system, thereby also hurt China's own interests. China's efforts to obtain energy security by investing in badly governed, unstable countries is one example of how China's behavior could ultimately harm Chinese interests -- as the PRC is ultimately a beneficiary of a stable global energy market. The United States does not seek to "contain" China or balance against it in the traditional fashion of 19th century great power politics. Rather, the United States is especially concerned about difficulties that might arise from a failed or a badly governed China. China should share this interest. Moreover, domestic instability in China itself may increase nationalist sentiment, leading to trouble over China's relations with Taiwan. The United States is pressing both China and Taiwan to maintain the status quo, S/P Director Krasner said.

China in the International System

¶7. (C) Nobukatsu Kanehara of Japan's Embassy in Washington agreed that China, along with all Asian countries, should be a responsible stakeholder in the international system and suggested that China needed help in understanding what that meant for Chinese foreign policy. He expressed concern that China's "rising power mentality" and its traditional tendency over thousands of years to view relationships hierarchically, would keep the PRC from adopting a global perspective. S/P Director Krasner observed that China was experiencing a period of competing values and opined that its choices would not be constrained by history. Rather the PRC would adopt policies that benefited Chinese interests. Chinese leaders would eventually determine that a society based on the rule of law is in China's interests, he averred. S/P Member Evan Feigenbaum warned against generalizing from Chinese history or concluding that its interests were fixed. Thirty years ago, China promoted revolution, proletarian solidarity and guerrilla struggle. No longer. Likewise, a country that once did almost no trade does not have the same interests as when it is the world's third or fourth largest trading power. The United States, Japan and Korea needed to work together to encourage China to exercise its growing capacity to support the international system.

¶8. (C) Kohno acknowledged that Beijing would have

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stakeholder interests as long as it continued its policy of increasing incomes through rapid economic growth, but wondered how China's behavior might change once it reached an acceptable level of economic development and adopted a new set of policies. Noting that maintaining social stability in order to sustain economic growth provided the current rationale for retaining the communist party, Kohno asked rhetorically how long the current situation would continue. Wondering whether the Singapore model would be adaptable to such a large country, Kohno advised paying close attention to CCP leadership interests over the mid-term.

¶9. (C) Park observed that Chinese leaders were greatly self-confident because of their achievements over the past thirty years. However, they also suffered from a persecution complex that led to such PRC efforts as attempts to secure China's own access to energy and was responsible for China's sensitivity over sovereignty rights, particularly with respect to Taiwan. Park urged continued dialogue with the PRC.

China, the United States and Asian Architecture

¶10. (C) Turning to recent developments in Asian regional groupings, Krasner said the United States is concerned that Asian initiatives to accommodate China may inadvertently stumble into a regional architectural structure that excludes the United States. Deputy Minister Park observed that the

recent global trend toward regional integration meant that Asian countries needed their own regional groupings. The challenge, he suggested, is to harmonize Asia's need for integration with the region's traditional reliance on the strong role played by the United States.

¶11. (C) DVM Kohno noted that participation in regional organizations provided China the opportunity of demonstrating its acceptance of a stakeholder role. He stressed that Japan had no intention of excluding the United States from Asian organizations and noted Japan's interest in expanding membership in Asian groupings to include India, Australia, Mongolia and other countries. Kohno emphasized the importance of cooperation and coordination among regional organizations.

¶12. (C) Sketching out a conceptual framework, S/P Director Krasner observed that Asian regional and trans-Pacific groupings tended to be organized on the basis of either 1) functional cooperation; 2) shared values; or 3) having many meetings on the assumption that if leaders meet often enough common interest would emerge. Although U.S. alliances were based on functions and values, organizations among Asian countries often tended to promote interaction among leaders for its own sake. The U.S. concern is that a grouping based merely on leadership interaction might undermine the functional and value-oriented relationships the United States has with Asian countries. DVM Kohno said the three countries needed to consider how to reinforce the existing regional and trans-regional organizations, as APEC, ARF, ASEM, etc. could all be criticized for making little tangible progress after many years.

China and the U.S.-Japan Alliance

¶13. (C) Deputy Minister Park asked about China's response to the recent reinforcement of the U.S.-Japan alliance and inquired as to the alliance's scope. Kanehara noted that after the collapse of the Soviet Union, Japan began to consider how it might participate in international peacekeeping operations. In line with that thinking, the U.S.-Japan alliance had become global in scope. Feigenbaum said the United States was delighted by recent developments in the alliance and supported an expanded role for Japan in the international system. Feigenbaum acknowledged that this had led some in China to shift their view of the alliance, believing that the United States no longer "corked the bottle" of Japanese militarism, but encouraged a more robust security role for Japan. However, he noted, the United States thought that an enhanced Japanese role was good for Asia and, for that matter, for China since the PRC benefited not only from the peace and stability engendered by the alliance in Asia, but across the globe as well.

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¶14. (U) Participants:

United States

Stephen D. Krasner, Director, Policy Planning Staff
Joe Donovan, Deputy Chief of Mission, Embassy Tokyo
James Zumwalt, Economic Minister-Counselor, Embassy Tokyo
Evan Feigenbaum, S/P Member
David Wolff, Political Officer, Embassy Tokyo
Steve Hill, Political Officer, Embassy Tokyo (notetaker)

Japan

Masaharu Kohno, MOFA Deputy Vice-Minister for Foreign Policy
Nobukatsu Kanehara, Minister, Embassy of Japan (Washington)
Koji Tomita, Minister, Embassy of Japan (Seoul)
Hiroshi Kawamura, MOFA Director, Policy Planning Division

Shinya Fujita, MOFA Deputy Director, Policy Planning Division

South Korea

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¶15. (U) S/P Director Krasner cleared this message.
DONOVAN